

## **WARREN COUNTY BOARD OF SUPERVISORS**

**COMMITTEE: HEALTH SERVICES (WESTMOUNT HEALTH FACILITY ONLY)**

**DATE: NOVEMBER 16, 2012**

---

**COMMITTEE MEMBERS PRESENT:**

SUPERVISORS SOKOL  
THOMAS  
FRASIER  
TAYLOR  
MCDEVITT

**OTHERS PRESENT:**

REPRESENTING WESTMOUNT HEALTH FACILITY:  
BARBARA TAGGART, ADMINISTRATOR  
BETSY HENKEL, COMPTROLLER  
DANIEL G. STEC, CHAIRMAN OF THE BOARD  
PAUL DUSEK, COUNTY ADMINISTRATOR  
JOAN SADY, CLERK OF THE BOARD  
KEVIN GERAGHTY, BUDGET OFFICER  
SUPERVISORS BENTLEY  
CONOVER  
KENNY  
LOEB  
MASON  
STRAINER  
WESTCOTT  
WOOD  
DON LEHMAN, *THE POST STAR*  
THOM RANDALL, *ADIRONDACK JOURNAL*  
CHARLENE DiRESTA, SR. LEGISLATIVE OFFICE SPECIALIST

---

Mr. Sokol called the meeting of the Health Services Committee to order at 8:32 a.m.

Motion was made by Mr. Taylor, seconded by Mrs. Frasier and carried unanimously to approve the minutes of the previous Committee meeting, subject to correction by the Clerk of the Board.

Mr. Sokol commented that the purpose of the meeting was to review the results of the RFP (Request for Proposal) for professional services in connection with the operation, expansion and/or privatization of Westmount Health Facility.

Paul Dusek, County Administrator, recalled that discussions on this issue had commenced at a Budget Committee meeting where concerns were expressed pertaining to the possibility of selling the Facility. He stated Westmount Health Facility provided an important function in the County and was a last resort for elderly who were impoverished or required long term health care. He informed the financial structure of the Medicaid and Medicare system had changed to the extent that many county-owned nursing homes in New York State were being sold or closed. He noted many municipalities were concentrating efforts on programs that allowed the elderly to stay in their homes, such as Certified Home Health Agencies and adult day care programs. Other financial changes for the County, he continued, included increases in the cost of providing employee health insurance and retirement benefits. He noted the cost of employee benefits for municipalities was significantly higher than that of private companies and organizations. He said the increased cost of employee benefits had, in turn, increased the cost of operations for Westmount Health Facility. Mr. Dusek mentioned that in the last two to three years many counties, especially in New York State, were selling or closing their nursing homes.

Mr. Dusek stated that in the last three months he had researched the financial situation of Westmount Health Facility in order to determine the best way to proceed. He advised it was important to most of the Supervisors that the operation of Westmount Health Facility continue; the

Facility continue to serve residents on Medicaid and Medicare; and the Facility retain their current employees. He referred to Westmount Health Facility as a "diamond in the rough" and pointed out the location was ideal for the provision of elderly care services. He added the Facility was highly marketable due to factors such as, the location at the foothills of the Adirondacks just outside the tri-city area, the cogeneration facility, sewer and water access, natural gas and an abundance of land surrounding the Facility. He said the 80-bed Facility was small, as the majority of nursing homes were 120 to 250-bed facilities. He commented the small size of Westmount Health Facility may have contributed to its ability to sustain as long as it has in the current economy. He mentioned the possibility of expanding the services offered at Westmount Health Facility by adding services such as rehabilitation or adult day care.

Mr. Dusek apprised that he had spoken with the owner of a local nursing home and was advised that they were becoming involved in caring for the elderly in their homes and owned an assisted living facility as well as the nursing home. He added this model allowed the owner to provide the elderly with a continuum of care. He stated his research had included the possibility of completing a market study to determine the value of Westmount Health Facility as well as the possibility of the development options for the site.

Chairman Stec entered the meeting at 8:43 a.m.

Mr. Dusek informed that he did not look for justification for the selling of Westmount Health Facility nor did he consider the possibility of a management and efficiency study. He said when the RFP for professional services in connection with the operation, expansion and/or privatization of Westmount Health Facility was released it had included everything the County wanted to do in order to receive the greatest amount of information possible to make a final decision. He noted the results of the RFP ranged from \$90,750 to \$250,000 or more. He pointed out the lowest responsible bidder was The Center for Governmental Research, Inc. and he noted Washington County had utilized the services of this firm and had given them a positive review. He added the cost estimate of \$90,750 could be greatly reduced based on the scope of work requested.

Mr. Dusek presented the options for the future of Westmount Health Facility, as follows:

1. engaging in consultant studies at a cost of approximately \$90,750;
2. selling the Facility to Adirondack Tri-County Nursing Home which would involve legal work, Department of Health (DOH) approvals and an evaluation study at a cost of \$13,000 to \$25,000;
3. issuing an RFP to acquire Westmount Health Facility which would allow Adirondack Tri-County Nursing Home and other nursing homes and/or corporations to bid for purchase and would not require an evaluation of the Facility; or
4. retaining Westmount Health Facility and attempting to improve the finances and cost of operations.

Mr. Dusek announced he had been contacted by entities that were interested in a public/private partnership of the Facility and by at least two nursing homes with an interest in purchasing the Facility. Mr. Sokol commented there had been a lot of changes since the initial meeting with Adirondack Tri-County Nursing Home and he suggested another meeting be scheduled. He asked Mr. Dusek if a decision had to be made immediately and Mr. Dusek replied he needed the direction of the Committee in order to know how to proceed.

Mr. Taylor opined they should determine if Adirondack Tri-County Nursing Home was still interested in purchasing the Facility and if they were not then an RFP to acquire the Facility should be released.

Mrs. Frasier agreed with Mr. Taylor and added they should determine if Adirondack Tri-County Nursing Home would expand services for the Facility if they purchased it. Chairman Stec advised that Option No. 4, to retain the Facility, was not a viable option. He added Option Nos. 1 through 3 each would take a different amount of time and the monthly cost of continued operation of the Facility be determined. He pointed out that Option No. 2, to sell to Adirondack Tri-County Nursing, would take the least amount of time and therefore, would cost the County the least amount in continued operation of the Facility. He added Option No. 3, to release an RFP to acquire the Facility, would take the second least amount of time and Option No. 1, for consultant services, would take the longest. He asked if there was an idea of how long each option would take and if an average monthly cost of operating the Facility was known. Mr. Dusek responded the consultant studies option (Option No. 1) usually took an average of two years to complete. He noted a large amount of time for that process pertained to receiving DOH approvals. He said he had anticipated Option No. 1 would involve a closing date at the end of 2013 and receipt of DOH approvals by the beginning of 2014. Mr. Dusek continued by saying Option No. 3, the RFP approach, would require a couple of months for response time. He added if the RFP was released by December 1<sup>st</sup>, the proposals would be due by the beginning of February, followed by review of the proposals, interviews and negotiations would result in a closing date in late 2013 or early 2014. Mr. Dusek stated that Adirondack Tri-County could submit a proposal to acquire the Facility if the County selected to release an RFP and the Committee would receive proposals from other entities and would be able to select the best option. He pointed out that although Option No. 2, to sell to Adirondack Tri-County, would be the least time consuming, a local law would be required for any of the three options.

A brief discussion ensued.

Mr. Thomas stated Option No. 1, for consultant services, was the best option for the County, as possible expansion of the Facility would create more jobs. He added if expansion of the Facility could be accomplished through Option Nos. 2 and 3, then he would be in favor of either option. Mr. McDevitt opined an RFP to acquire the Facility should be released as soon as possible. Mr. Thomas noted that he didn't think that expansion of the Facility should be completed solely by Warren County but possibly could be completed through a public/private partnership. Mr. McDevitt noted that any decision had a negative impact on the morale of the employees of the Facility. Mr. Kenny stated that time was of the essence as the longer the future of the Facility remained uncertain, the more employees would resign in order to ensure their own futures. He added the under-staffed Facility required the services of a nursing agency at a much greater cost. Mr. Sokol agreed and added that increasing salaries would not attract employees to a Facility with an uncertain future.

Chairman Stec commented the majority of the Board of Supervisors were present and he requested opinions from non-Committee members. Mr. Mason suggested an RFP be released as soon as possible in order to stop the losses of the Facility. Mr. Westcott said he supported the release of an RFP without delay. Mr. Loeb commented that few decisions were made at the end of the calendar year and added that releasing an RFP immediately or at the beginning of January would yield the same results.

Motion was made by Mrs. Frasier and seconded by Mr. Taylor to authorize the release of an RFP to acquire Westmount Health Facility.

Mr. Geraghty asked about the details of the RFP and Mr. Dusek replied the RFP to acquire the Facility would set forth the County's objectives: to maintain operation of the Facility; provide for the care of Medicaid and Medicare residents in the Facility; retain the Facility's current employees; outline

plans for future expansion of the Facility; and outline plans for job creation at the Facility. Mr. Dusek stated there might be some areas in the drafting of the RFP where professional assistance would be required. He requested the Committee authorize the expenditure of \$10,000 to \$15,000 for professional services which may be necessary during the drafting of the RFP. Mr. Sokol opined the Committee should authorize the expenditure of up to \$20,000. Mr. Thomas stated it was a good idea to authorize the expenditure as there were areas where a consultant would be required. Mr. McDevitt asked if Barbara Taggart, Administrator of Westmount Health Facility, or Betsy Henkel, Comptroller, had any comments on the subject. Ms. Taggart replied the release of an RFP was the right decision as it would present the County several proposals and allow them to select the best option.

Mrs. Frasier amended her motion and Mr. Taylor amended his second to the motion and the motion was carried unanimously to authorize the release of an RFP to acquire Westmount Health Facility, with the RFP including the County's objectives, such as maintaining operation of the Facility; providing for the care of Medicaid and Medicare residents in the Facility; retaining the Facility's current employees; outlining plans for future expansion of the Facility; and outlining plans for job creation at the Facility; and to authorize the expenditure of up to \$20,000 for professional services which may be necessary during the drafting of the RFP. *The necessary resolution was authorized for the November 16, 2012 Board meeting.*

Mr. Dusek apprised it had been necessary to adjust the proposed 2013 Westmount Health Facility budget. He added the Committee had previously authorized the use of the Westmount Health Facility Fund Balance and at the time the Committee had asked if there would be an impact to the Fund Balance for 2013 to which he had replied in the negative. He advised it had been determined that the revenues from bed days would be lower than anticipated which would impact the ability to operate the Facility through the end of 2013. He commented Ms. Henkel had stated she could raise the projections on bed days slightly and could reduce costs in the nursing agency contracts. Ms. Henkel interjected there was approximately \$75,000 which could be reduced and the revenue increase would be approximately \$31,000. Mr. Dusek requested a motion from the Committee to support the adjustment as outlined and include the adjustment in the 2013 County budget to be presented at the Board meeting following this Committee meeting. Mr. Thomas asked if the revenue for bed days was Federal and Ms. Henkel replied it was State revenue through Medicaid.

Motion was made by Mrs. Frasier, seconded by Mr. Thomas and carried unanimously to approve the amendment to the proposed 2013 Westmount Health Facility budget as outlined and to include the adjustment in the 2013 County budget for presentation at the Board meeting.

As there was no further business to come before the Health Services Committee, on motion made by Mr. Thomas and seconded by Mr. McDevitt, Mr. Sokol adjourned the meeting at 9:16 a.m.

Respectfully submitted,  
Charlene DiResta, Sr. Legislative Office Specialist